DEPARTMENT OF DEFENSE BLOGGERS ROUNDTABLE WITH REAR ADMIRAL GREG SMITH, CHIEF, PUBLIC AFFAIRS, COMMUNICATION DIVISION, STRATEGIC EFFECTS, MULTINATIONAL FORCE-IRAQ, VIA TELECONFERENCE FROM IRAQ TIME: 10:00 A.M. EST DATE: WEDNESDAY, JANUARY 23, 2008

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CHARLES "JACK" HOLT (chief, New Media Operations, OASD PA): Admiral Smith, we're ready when you are. You have an opening statement, sir?

ADM. SMITH: Well, I'll kick off a few things I thought -- I hope that -- first of all, welcome everyone. I got your -- I think I know who's online, but got your bios on that. Always an impressive group.

I hope you had a chance to get a hold of my transcript from Sunday's press brief or saw the briefing, perhaps. But I'd like to focus a little bit on al Qaeda and we've only got a half hour or so. I don't want to spend a lot of time yacking with things you already know about, that you could have read through my transcript. But I'll just say a few comments, I guess.

One is that Operation Phantom Phoenix, which began just after the first of the year, is a continuance of our activity associated with going after al Qaeda and other extremists. It's not the start of, it's not the middle, it's not the end, it's just part of a long effort that's been underway for obviously some years now to address the insurgency overall in Iraq, specifically al Qaeda in terms of the main threat. But also there are several other issues that we can talk about, of course, this half hour -- the Phantom Phoenix this is associated with.

And it's more than just a kinetic fight, it's really more of a holistic effort to bring in services really behind the kinetic fight. In other words, when you clear an area and you begin to hold it, well what the people are looking for is a change in a positive direction. Beyond just the reduction of violence they're also looking for an opportunity to get their lives back. And so there's programs associated with infrastructure development, job development, those kinds of things that we can chat about.

And all that is really the main effort, if you will, for us at MNFI, certainly as we go into 2008 on the security front. There's been a considerable amount of progress in recent weeks in the political dimensions that we can also address during the course of this call and I'd be happy to talk about any of those. I know there's probably some interest in talking a little bit about the concerned local citizen programs, I suspect, and what they mean.

I suspect we'll want to talk about Iran, if that's of interest to anyone. And I suppose those are the main topics and there's always the current events with MRAPS and the rest of it. But let me just -- I think I'd rather just take your questions and have a good conversation and go from there. And if we have time at the end I'll -- if you talk some scenarios, I can pick them back up.

MR. HOLT: All right.

ADM. SMITH: So let's just jump on in.

MR. HOLT: All right, sir, very good. Spencer, you were first on line so why don't you give us -- why don't you get us started here.

Q Great. Thanks, Admiral Smith. I saw your transcript.

If 90 percent of suicide bombers are foreign but, this is your quote, quote, "Rank and file fighters are mostly Iraqis," unquote, in AQI. What are the Iraqi members of AQI doing in your assessment? And then secondly, how much has suicide bombing picked up in the last two months relative to the decline that MFNI cited in the fall and why is that?

ADM. SMITH: Well you probably think -- when you think of al Qaeda you think of bombings as their sort of -- and that has been their signature tactic. It hasn't always been in a suicide mode, though. Obviously they've been very successful over the years in putting together pretty powerful vehicle bombs, trucks -- cars and trucks up to the size of semis. They've been very productive in placing roadside bombs. So they've got a tremendous amount of their fighters becoming more technically proficient at that kind of business.

Of late, though, as you've been seeing, is certainly an increase in the number of suicide events that occur with individuals, mostly with a suicide vest wrapped around their waist, entering into a public environment, the case of a funeral procession the other day. We had a bombing this morning -- yesterday morning outside of a school in Baqubah. They've obviously attacked by entering concerned local citizen checkpoints or in the case of a couple bombings of actual office complexes where they worked out of.

So that's -- al Qaeda's, you know, main sort of public face has been -in terms of its violent activity has been the use of bombs, but the rank-andfile fighters are out there using the power of the rifle and the gun,
intimidation to go after -- extortion, kidnapping, murder. They move into a
village and they attempt to take over that village and that's done -- that's
their main effort for how they try to control geographic areas and control
populations and try to make changes. And that's what the rank and file Iraqi
fighters have been involved in.

The foreign piece is the fact that the bulk of the suicide bombers are foreigners. So again, when you see a bomb go off, usually nine out of 10 times it's been a foreigner who did it.

Q And can you just quantify how much suicide bombing or other AQI attacks have ticked up in the last two months because it really does seem like there's a surge in their operation?

ADM. SMITH: Well, the truth is that they're actually -- overall their operations are, in terms of numbers of attacks, are down. The difference is

that you now have a different sort of a security landscape out there and there's less events that are occurring. And so what it makes it sort of weigh into the front pages now are these events that, quite frankly before probably just were so numerous in numbers that people didn't even pay attention to them. And they were really focused on these major market bombings that, you know, so dominated the summer months. But the number of suicide -- as a percentage, yes, suicide attacks are becoming a higher percentage of the attacks here in recent months. And I don't have a specific number for you but I know anecdotally certainly that that is the case.

MR. HOLT: All right.

And Chuck.

Q Good afternoon, Admiral.

Al Qaeda presents me with a curiosity that I haven't seen in other terrorist organizations. They seem to be very bureaucratic: job applications, rosters of members, detailed inventories, things like that that we can exploit when we capture them. Not the way the IRA ran things or the Red Army faction or any of the other terror groups.

Could you speak to why you think that they feel the need to make a list and check it twice?

ADM. SMITH: Well, it's to this reason. They obviously work in a very cellular nature, as you know. And they are being held responsible for the monies being sent to them to carry out the activities that they're charged with. So if you're running a sniper cell then you keep very, very good books as to who you kill because at the end of the month you turn in that log sheet -- very detailed summaries, pictures, supporting evidence -- and that's how you earn your paycheck for the next month. In fact, that may be how your small cell or network rose in stature within the great al Qaeda world, because you become someone that can get the job done, and money flows your way.

Q So it's not a traditionally organized terrorist structure?

ADM. SMITH: No it's not. Don't look at it from a central bookkeeping point of view as much of it is as in the individual parts justifying exactly how they're operating to the efficiency of whatever this twisted ideology they're working under in terms of murder, kidnapping and all the rest of it, for the sole purpose of really generating the long term support of their efforts. Because, again, the financing that comes in -- and the financing works through a network structure that then feeds the other things that cost money for al Qaeda, whether it's buying arms or weapons or fighters. And so if you're in charge of the foreign fighter facilitation network, you're going to make more money if you're efficient at doing it and you're going to demonstrate that by way of your bookkeeping.

Q Okay, thank you.

MR. HOLT: Eric Hamilton.

) Yes, sir.

Thank you, Admiral Smith.

I want to refer to your briefing slide with the map showing al Qaeda in Iraq in 2007. On the map there seems to be significant concentrations south of Baghdad, north of Baqubah, south of Samara, in the Zab triangle and around Mosul. And they seem to be much more isolated than they were in 2006. I'm wondering if you can describe how much interaction you think there is between these different areas. Is there any evidence that these are becoming separate command and control nodes that are acting independently? In general, what's the overall state of AQI's command and control structure right now?

ADM. SMITH: Yeah, I don't think there's a sense that there is a strict control, kinetic control, in terms of events that occur or are directly linked to some sort of a central authority. There is clearly some lines of central control. Funding is an example, probably a good one. The flow of foreign fighters to your district or some other district might be a more centrally managed activity.

But by and large the conduct of your operations, you're executing those as part of your responsibility as the military mirror of -- you pick the place. And they do have local resourcing. They do have local media cells, emirs, local finance emirs and those kinds of things.

But there is some connection up through al-Mathri (ph) for general stewardship of al Qaeda's operations. But they are truly -- they do operate in a more cellular nature. So what you're seeing here now is -- you look at the 2006 map and the heavy red areas, they had some pretty good flowing lines of command and control. In other words, they could move pretty freely say from Mosul virtually all the way down into Ramadi and into Baghdad, Fallujah to Baghdad and back all the way out to Al Qaim to the Syrian border.

Well, now, today, if you look on there, they've got limited lines of maneuver that can move them, in terms of geography, about the country. So they've had those lines of operation interdicted, lines of communication interdicted and that makes that command and control that much more difficult. They clearly use some technology, cell phones and so forth, but nothing, obviously, that can be on par with anything that a state military force could offer in terms of secure communications and, you know, those kinds of activities. And, of course, they do a lot of things, as we all know, via the Internet in terms of communicating some general aspects of their operations.

But I think to basically answer your question, they are operating in local areas fairly autonomously to carry out what is perceived to be the commander's intent, in the case of Masri, what he's trying to get them to do and in that area that they still have control over. What we're seeing, though, is many of these areas that we were seeing in the summer of 2007, where they're dark red -- with the start of Phantom Phoenix you can be sure that many of those areas now are being pretty well squeezed.

MR. HOLT: All right.

And David Axe. Q Sir, hi, this is David Axe from War is Boring.

Could we go back to the finance issue? I wanted to first -- I want to follow up on this question, what's the general finance picture like for al Qaeda right now?

ADM. SMITH: Well, they have -- we believe, probably getting more difficult to get money into the country. Again, because if you're an outside

investor in the jihad movements you might be moving your money somewhere else in the world right now. Things aren't looking too good in Iraq so I don't know how much investing you want to do.

The inside Iraq is largely done through traditional sort of corruption, criminal-like activity, everything from setting up front businesses -- it's sophisticated at that level all the way down to just simple, you know, store front extortion, murder -- I'm sorry, kidnapping for money. And then there's also some commodity theft: oil, things that can be sold on the black market. So they're into all those areas but what makes that more viable for them is if they're in economic centers of influence: the cities. And now they've been driven out of basically all the cities except for Mosul and that means that much of their economic base, in terms of how they would intimidate, kidnap, extort and all the rest of it, is less successful to them.

So, I suspect that their financial picture -- their books at the end of the month are suddenly beginning to get stressed by our operations. If they're on the run they don't have a chance to settle in one area, dominate, you know, build up an extortion base. It just doesn't -- it's not as easy for them now as it was a year ago.

Q So the money is drying up. Are you seeing any evidence of that, direct evidence of that in terms of -- you think you could connect that the reduction in attacks?

ADM. SMITH: You could, you could do it also in the connection to the sophistication of the explosive devices, the lack thereof. I hate to over -- I don't want to overplay this too much in terms of drying up their finances. I think we're making it -- I think we're having an impact, is what I would say. And we understand how that -- the finances are a critical component of insurgency. And that's one thread of the insurgency you're going to take on, and that's what we're doing. So it's just -- it's not just, again, killing fighters; you could do that probably forever. But if you can really limit some of their centers of gravity, one of which is foreign access to fighters -that's a big one -- but the suicide piece we talked about earlier. Because if you didn't have the suicide -- if you didn't have the foreigners coming in, if you could somehow lock that down -- and you never will be able to completely lock down that flow -- you would have reduced 90 percent of all the suicide attacks that have occurred. That would be very, very significant to population security. Same on the financing side. If you can continue to interdict or to make their ability to generate funds much more difficult, you're going to have an impact that goes far beyond just moving money out of pockets because they --I don't know that -- I wouldn't say they're not in the moneymaking business; they're in the moneymaking business to be able to buy the things they need to continue on with their movement.

Q Thank you.

MR. HOLT: Okay.

Nicholas Beaudrot.

Q Yes. This is Nicholas Beaudrot from the blog -- (name inaudible). Thanks, Admiral, for taking the time to talk to us.

I have a couple of related questions about sort of the scope of al Qaeda in Iraq. The first is, is there anything you can say publicly about the

relationship between the leaders of AQI and Osama bin Laden and Ayman al-Zawahiri -- I'm sorry if I got that wrong --

ADM. SMITH: Yes, sir.

0 -- the leaders in Afghanistan and Pakistan?

And relatedly, what percentage of violence in Iraq do you attribute, if you can ballpark it, to AQI?

ADM. SMITH: It's a good question. We know through our detention of key senior leaders in al Qaeda Iraq that there is a communication flow between the senior leadership of al Qaeda in Pakistan and the senior leaders here in Iraq. And we should note that al Qaeda Iraq's senior leadership are all foreigners. There are no really senior Iraqis that have a position of significant authority in terms of the major inner-circle players that are around al-Masri's -- these are foreigners. So you've got a connection between the senior leadership in Pakistan then really communicating with a series of trusted agents inside of Iraq to go about doing really al Qaeda's main business there, which initially was to convince the Iraqi people that al Qaeda was going to be a way forward for them and that Iraq would be the place in which this Taliban-like ideology that al Qaeda is trying to spread would be anchored here as a caliphate here in Iraq, in Baghdad and Iraq, around Baghdad in Iraq.

Now, as far as the percentage of attacks, a little hard to -- I don't know that I've got a number for me to quantify that. Really key is that they have clearly have been responsible for the vast majority of the major horrific attacks, the ones that really drove ethno- sectarian violence nearly right to the brink of civil war. And so from that point of view, they're responsible for what really has led to an extremely destabilized country in 2006 and 2007 and what we're fighting our way back from now. So whether it's the number of attacks or the effect of the attacks, they clearly own the lion's share of the negative effect.

Q Thanks.

And if I can follow up to your answer of the first question, you mentioned that the leadership is almost entirely foreigners, but that the rank and file are all Iraqis. What sort of impacts would you expect if there were progress on political reconciliation and employment in terms of drying up support among sort of existing al Qaeda -- Iraqi al Qaeda operatives?

ADM. SMITH: Well, a lot of this insurgency on the Sunni side is not linked with the ideology of al Qaeda. But they clearly -- many groups felt early on an ability to sort of pool their resources, share sort of a common cause. But the cause here has been more nationalistic than it was sort of this worldview of jihadists and that Iraq would become the caliphate for all of al Qaeda's dreams. And so I think as they began to -- the Sunnis began to realize that and realize that al Qaeda had brought nothing in a positive, constructive way, if economic development now can follow, if people can get jobs and they can return to some normalcy and there's a recognition of their role here inside of Iraq, yes, I think that is the way to reduce their sense of being on the outside having to look in. And that is what's happening, I think, as the concerned local citizens are participating, and what began in Anbar now has spread out through the rest of the country, because they do, I think, realize they've got to be part of this new Iraq in a positive way.

MR. HOLT: And Jared.

Q Yes, sir. Thank you for your time.

I have a question more on the intel side. We've seen a huge upswing from information coming forth from the citizenry, from the CLCs, but has there been an increased ability of the Iraqi special forces or the Iraqi national authorities to proactively go out and assert themselves and find the intel to be able to then target the nodes and the cells for the al Qaeda senior leadership? It seems like we've kind of been spreading the oil field around, and yet there are still, you know, serious nodes which we either can't crack because we don't know where they are, we don't have enough troops. So perhaps you could talk to the strategy for the next six months as far as moving down the line to finally be able to destroy the senior leadership of AQI.

ADM. SMITH: Yeah, the ability of the Iraqi now -- the Iraqi forces to generate intelligence, they obviously still lack some system issues. They don't have national overhead sensors. They lack even tactical sensors. But what they don't lack is human sensors. And they're in a much better position than we are to tactically work the battlespace in terms of human, which is -- in this -- in an insurgency, probably it's your major player anyway.

And they also have begun to truly understand how to take intelligence, systematically put it into a planning-and-execution model that really is starting to produce -- their special forces teams that are partnered with our special forces teams as advisers really are conducting at a pretty high level of intensity, and that the targets they're taking down are some very significant players, whether it's on the al Qaeda side or the rogue militias on the Shi'a side. They're playing both worlds, and it's pretty impressive.

It's not -- again, it's aided by a U.S. backbone, but it's -- they're becoming more integrated into that and demonstrating the ability to take time-sensitive intelligence and turn it into time- sensitive targeting. So it's working out. And so I think you'll see more and more of that in areas where -- and especially in areas where we're not even there anymore, as nine of the provinces now have been turned over to the Iraqis completely. We are really not there to be able to gain the intelligence that they themselves now are going to be responsible for. So so far it seems to be working out, as we saw this past week in Basra and Nasiriyah, when local militant groups broke into Ashura festivities with a lot of lethal activity and they were able to control that within just a matter of hours. So we'll see how it plays out, but they are -- I think they're improving their intelligence links to operations steadily over the last year or so.

MR. HOLT: Okay.

And we had a couple other folks join us. Who else is on the line with us?

 $\ensuremath{\mathtt{Q}}$ Good morning. Captain Bart Beaker (ph) calling from the West Coast.

MR. HOLT: Okay.

ADM. SMITH: Hey, Bart.

Q Good morning, Admiral.

MR. HOLT: Okay. Captain, do you have a question for the admiral?

Q I joined a little bit late, so I apologize for missing opening comments. But I was just -- I was curious as to the degree the reserve component is integrating into the intelligence and communication function at work -- that you're working with in-country there. ADM. SMITH: The -- in terms of the U.S. reserve forces, you mean?

O Correct.

ADM. SMITH: Yeah, it's a huge, huge part of what's going on out here in any of the staff functions. Not so much in the -- and of course there is fighting forces out there are wholly reserve units, but I would say in general, if you look around Multinational Force- Iraq as an example of the staff, a very, very large number of the personnel here come from reserve divisions.

And it's interesting that they bring a lot of expertise in areas that an active-duty person would have little understanding in because many of the functions we work in here are capacity building of ministries. So whether it's economic development, water/sewer infrastructure development or rule of law, the list is long, and it's amazing some of the people you run into that are wearing uniforms that are here doing jobs that are -- that they truly are qualified based on their civilian experience and their connections back to the military as a reservist.

Q Thank you.

MR. HOLT: Okay.

And all right, anyone else? All right, any follow-up question?

Q Yeah. Spencer Ackerman here, if it's all right.

Something about the CLCs. Every time we hear about CLC operations, and particularly if you could can quote it, members of the CLC said we're fighting al Qaeda, we're taking on al Qaeda, we've had this operation, that operation about al Qaeda. My question is, is how do we know that the people they're going after are really al Qaeda? What's the system in place to, for lack of a better term, have oversight over what they're doing and ensuring that they're not setting themselves up as warlords?

ADM. SMITH: Yeah, the thing I would push back right at the beginning is sort of the notion that they are conducting operations. There is no CLC group that's authorized to conduct operations.

Q Does that mean they don't do it?

ADM. SMITH: What they do -- well, what they're chartered to do and what the oversight of the Iraqi police, army or coalition who's in their sector is responsible for is they're responsible for fixed security. They're neighborhood watches. They do not go out and conduct independent operations to go after targets. They --

Q But they say they are, all the time. You see them quoted all the time saying that. ADM. SMITH: Well, I think there's a perception that they're out as armed militias wandering the countryside hunting down al Qaeda,

not the groups that are part of the Concerned Local Citizen program are not in that vein.

Now, they have partner with Iraqi security forces -- take, for instance, the last two weeks down in Arab Jabour -- in areas where -- we're going into place where al Qaeda's been for a year or two. What we've been doing now is setting up relationships with Concerned Local Citizens ahead of time, and they're -- and once -- in this case, like last week, where we end up bombing some 40 targets to set up the conditions to bring our forces in.

We're a partner now with the Concerned Local Citizens in those areas to literally walk us into the village because they know exactly where al Qaeda planted everything, they'll tell us what targets we didn't hit that we -- in the area that we -- that they -- they can point out to us. They can tell us where the al Qaeda had operated from.

Q How do we know that -- they're talking about al Qaeda that they're telling the truth?

ADM. SMITH: Yeah. The sense is that -- again, as we partner with tribal chiefs who know who's working -- he knows exactly who's working for him as a Concerned Local Citizens group. Very nested within the tribal relationship -- that you've got to put some trust and confidence in these people, but you don't do it without a fair amount of time working with them ahead of time, you know who you're dealing with, and you've developed a relationship that way over time.

And it's not done overnight; this is not somebody walking to somebody you don't know, nobody knows who the guy his. He claims to be so-and-so, working with -- he's got 50 guys that are willing to help you out. That all gets vetted quite a while before we end up developing any kind of relationship that would commit our forces to lining up with them and going out --

Q But it -- it boils down to trust, you mean.

ADM. SMITH: It does. It boils down to trust, and it -- and over time, you can earn it or lose it. But just to -- this would be the idea of Concerned Local Citizens jumping in their better vehicles or marching down the fields hunting down al Qaeda. If they're doing that, it's outside the bounds of the Concerned Local Citizen program, because that's not what they're either authorized or being asked to do.

Q Jack, if I could follow up --

MR. HOLT: Sure. Q -- this is Nicholas Boudreaux (sp). In terms of trust and accountability, how often are we, you know, firing or otherwise punishing Concerned Local Citizens that are going outside their charter or continuing to feed MNF-I forces bad intelligence?

ADM. SMITH: I don't have overall numbers. I can give you a couple of stories. I know that Colonel Southerland, who was here in Diyala -- his forces left in December -- discussed how -- he met -- on several occasions, he had to sit down with tribal chiefs and say, you know what, we've got a couple of guys who we're concerned about, and they're going to have to go. We don't trust them, we don't think they're loyal, we have reason to believe that they're -- they're not in the best interest of you or us, and they're fired.

Again, these are people that we've established a contract with. They signed a pledge, they've gone through the biometric screening. The -- they show up -- if they show up, obviously, with any kind of criminal background, they're not brought in the program at all. But that doesn't mean there's not infiltration. That doesn't mean you've got guys that decide to go back to the old ways and the old days. And so we deal with it.

So there is a policing. It's pretty strict. There's not a lot of tolerance for it, but it's all done, again, from one -- at the colonel-lieutenant colonel level working with the tribal chief making it happen.

Q Okay, thanks.

MR. HOLT: Okay. Anyone else?

Q Yeah, Chuck Simmons (sp) again.

Admiral, is al Masri still in Iraq?

ADM. SMITH: He is. He's assessed to be in Iraq. We've assessed that most of his -- again, most of his core -- the essential leadership is around him. He's a very, very elusive character, no doubt about it. You can be certain that he's among the many targets we're going after, but he's principal among them. But, yes, he's here in Iraq.

MR. HOLT: Okay. And we're about out of time here. Admiral, do you have any closing thoughts or closing comments for us?

ADM. SMITH: I think I'd just point out a couple of things that we're - again, just in the beginning, I think of -- in terms of Operation Phantom Phoenix -- a significant amount of work that's going to still have to take place in order to bring about the same kind of security we saw in -- in Anbar, as an example, in 2007 -- in many of the neighborhoods of Baghdad. There are still places in Iraq where they have not seen that at all. There are still villages and towns and regions that are completely under the thumb of terrorism, and for those people, the hope is that we can get enough force into the area; clear al Qaeda; hold that area with what's becoming more and more a mixture of Iraqi security forces and these Concerned Local Citizen Groups; bring in economic development so that there's a -- there's some hope for change, and the people, for want of a dollar, don't go back to doing -- supporting insurgency; and that you just do that, you just build and build upon that.

It's a very slow, methodical process, but it's one that I know the coalition's committed to and the government of Iraq, in terms of how they're committing to both the standing up of a much larger Iraqi security force, over 110,000 new ones last year, as an example. And then they're -- also, they're committed to these economic and employment development programs will make a difference. But it's going to be a long -- slow long haul and a lot of tough days ahead.

MR HOLT: All right, sir. Thank you very much. Rear Admiral Greg Smith, chief public affairs, communications division and strategic effects, Multi-National Force-Iraq, thank you very much for being with us. And hopefully

ADM. SMITH: You bet.

MR. HOLT: -- we can speak again, sir.

ADM. SMITH: Yeah, anytime.

MR. HOLT: All right. Thank you very much, sir.

ADM. SMITH: Bye-bye.

END.